

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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June 22, 2010

TO: Internal File

FROM: Kevin Lundmark, Lead *KLW*

RE: Phase III Bond Release, Plateau Mining Corporation, Star Point Mine, C0070006, Task ID #3534

### SUMMARY:

On February 11, 2010 the Division received an application submitted by EarthFax Engineering, Inc. on behalf of Plateau Mining Corporation (PMC) for the Star Point Mine (Task ID# 3493). The application requests modifications to the mining permit to reflect a change in post-mining land use from wildlife to industrial for 40-acres of the permit area, Phase II Bond release for an 8-acre parcel within the permit area, and a 40-acre reduction in the size of the permitted area. These modifications to the permit are sought to allow a sale of a 40-acre parcel to ConocoPhillips Company (COP) for oil and gas production.

Deficiencies identified during review of the February 11, 2010 submittal were addressed in a submittal received by the Division on April 21, 2010 (Task ID# 3534). The above-referenced amendment is recommended for conditional approval upon the following receipt of clean copies for incorporation. The clean copies must:

- Include in Exhibit 412.200a a copy of the certification of publishing of the Public Notice in the Sun Advocate for four consecutive weeks;
- Replace the zoning information provided in Exhibit 412.200a with a copy of the Carbon County Conditional Use Permit for construction and operation of two gas wells; and
- Revise text on page 400-7 to read "Re-zoning of certain areas formerly within the Star Point permit area for oil and gas operations is approved by the Carbon County Department of Planning and Zoning Conditional Use Permit included in Exhibit 412.200a."

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**TECHNICAL ANALYSIS:**

**GENERAL CONTENTS**

**PUBLIC NOTICE AND COMMENT**

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200; R645-301-880.

**Analysis:**

A Public Notice was published in the Sun Advocate at weekly intervals for four consecutive weeks on April 1, 8, 15 and 22, 2010. In accordance with R645-301-117.200, an affidavit of the public notice is included in the application in Exhibit 412.200a.

The application package contains a copy and distribution list of the letter sent by the Permittee to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality notifying them of the intention to seek bond release.

**Findings:**

The materials submitted meet the minimum requirements of the Regulations.

**ENVIRONMENTAL RESOURCE INFORMATION**

**HYDROLOGIC RESOURCE INFORMATION**

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

**Analysis:**

Industrial activities (i.e., oil and gas exploration and development) to be performed in the COP purchase option parcel have the potential to affect surface water quality within reclamation diversion SPRD-31 and Sage Brush Creek.

**Probable Hydrologic Consequences Determination**

Potential impacts to surface water quality due to industrial activities to be performed in the COP purchase option parcel include increased suspended solids and contamination by oil and grease. Contamination of surface water resulting from surface disturbance within Sage Brush Creek is described as a potential impact by the Probable Hydrologic Consequences (PHC)

Determination in the MRP, and total suspended solids and oil and grease are included as parameters in the surface water-monitoring program for the site. A new or updated PHC is therefore not required for this permit revision. Page 400-8 of the application contains a discussion of measures to be taken to minimize potential contamination of surface water by suspended solids from the industrial land use.

### **Surface-Water Monitoring Plan**

Diversion SPRD-31 discharges to Sage Brush Canyon upstream of reclamation surface water monitoring location 10-1. Location 10-1 provides surface water quality data to monitor effects of reclamation efforts on the surface water system. The reclamation surface water monitoring program described in MRP Exhibit 728h identifies that surface water monitoring at two locations (including 10-1) will continue through Phase II Bond Release to monitor suspended solids concentrations. Phase II Bond Release was approved June 2008; however, PMC has continued monitoring surface water and has not submitted a permit change to reduce water-monitoring requirements. The Operator has indicated that a permit change application is being prepared to reduce water-monitoring requirements.

The transfer of the 40-acre parcel to COP will not affect the Operator's ability to satisfy surface water monitoring program required by the MRP.

### **Findings:**

The materials submitted meet the minimum requirements of the Regulations.

## **MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION**

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

### **Analysis:**

#### **Permit Area Boundary Maps**

The revised permit boundary reflecting the COP purchase option is shown in Map 112.500 – Surface Ownership and Official Permit Boundary Map.

#### **Surface and Subsurface Ownership Maps**

Surface ownership information is provided in Map 112.500a – Surface Ownership and Official Permit Boundary Map, which has been updated to reflect the COP purchase option. This map identifies Federal, State, and private landowners in the permit area and adjacent areas.

### **Findings:**

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The materials submitted meet the minimum requirements of the Regulations.

## RECLAMATION PLAN

### POSTMINING LAND USES

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

#### Analysis:

PMC has proposed a modification of the postmining land use from the premining land use of wildlife to an alternative postmining land use of industrial to allow the sale of a 40-acre parcel to COP for oil and gas development within the Drunkards Wash Unit. In accordance with R645-301-413, alternative postmining land uses may be approved if they meet the following criteria:

- There is a reasonable likelihood for achievement of the use;
- The use does not present any actual or probable hazard to the to public health or safety, or threat to water diminution or pollution; and
- The use will not be impractical or unreasonable, be inconsistent with applicable land-use policies or plans, involve unreasonable delay in implementation, or cause or contribute to violation of federal, Utah, or local law.

The proposed modification of postmining land use is evaluated against these criteria below.

#### **There is a reasonable likelihood for achievement of the use**

BLM approved the Drunkards Wash Unit on December 28, 1990 for the production of gas including, but not limited to, coal bed methane. This unit encompasses approximately 94,000 acres within Carbon and Emery counties. There are multiple producing wells adjacent to the permit area. PMC applied for and received approval for a change in postmining land use and permit boundary for the development of two wells by Phillips Petroleum in Section 8 Township 15S Range 8E in 2002.

#### **The use does not present any actual or probable hazard to the to public health or safety, or threat to water diminution or pollution**

It will be necessary to construct the site to meet all federal, Utah, and local safety standards. This area will still be subject to requirements of the Clean Water Act. As described in the Hydrologic Information section below, the 40-acre COP parcel covers

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multiple reclamation watersheds, and drainage from this area would report to the main reclamation channel. Page 400-8 of the application contains a discussion of measures to be taken to minimize potential contamination of surface water by suspended solids from construction or industrial activities to be performed at the 40-acre COP parcel.

**The use will not be impractical or unreasonable, be inconsistent with applicable land-use policies or plans, involve unreasonable delay in implementation, or cause or contribute to violation of federal, Utah, or local law**

As described above, the 40-acre COP purchase option parcel is within the Drunkards Wash Unit, which is approved by the BLM for oil and gas development. The previous Carbon County zoning for 40-acre COP purchase option (Water Shed, WS) does not allow oil and gas development. A public hearing was held June 16, 2010 at the Carbon County Courthouse to review a zone change of the parcel to Mountain Range (MR) and to issue a conditional use permit for oil and gas production. The zone change and conditional use permit were approved at the June 16, 2010 public hearing.

### Findings:

The materials submitted meet the minimum requirements of the regulations. A copy of the Carbon County Conditional Use Permit for construction and operation of two gas wells should be included in Exhibit 412.200a.

## HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

### Analysis:

#### Hydrologic Reclamation Plan

Prior to receiving Phase II Bond Release, the Operator ensured that all temporary structures had been removed and reclaimed. All reclamation water diversions meet the requirements of for permanent structures, have been maintained properly and meet the requirements of the approved reclamation plan for permanent structures and impoundments.

Reclamation watersheds and diversions associated with COP purchase option are shown in Maps 761a and 761c. The 40-acre COP purchase option parcel contains all or part of reclamation watersheds RWS-21, RWS-22, RWS-24, RWS-25a, RWS-25b, RWS-26, RWS-27, RWS-28 and RWS-31. These watersheds all eventually report to reclamation diversion SPRD-

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31, also referred to as the "main reclamation channel" in the MRP. Diversion SPRD-31 discharges to Sage Brush Canyon upstream of reclamation surface water monitoring location 10-1. Industrial activities (i.e., oil and gas exploration and development) to be performed in the COP purchase option parcel have the potential to affect surface water quality within reclamation diversion SPRD-31 and Sage Brush Creek. Page 400-8 of the application contains a discussion of measures to be taken to minimize potential contamination of surface water by suspended solids from the industrial land use.

**Findings:**

The materials submitted meet the minimum requirements of the regulations.

**MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS**

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

**Analysis:**

**Affected Area Boundary Maps**

Reclaimed areas are shown on Maps 542.200a and 542.200c.

**Certification Requirements.**

A Professional Engineer registered in the State of Utah has certified maps included with this submittal.

**Findings:**

The materials submitted meet the minimum regulatory requirements of this section.

**RECOMMENDATIONS:**

The proposal is recommended for approval.